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Loan Indemnity and Restructurin

PUBLIC LAW 101-237—DEC. 18, 1989 TITLE III—HOUSING

SEC. 301. SHORT TITLE.

This title may be

cited as the "Veterans Home Loan Indemnity and Restructuring Act of 1989".

SEC. 302. ESTABLISHMENT OF GUARANTY AND INDEMNITY FUND.

(a) NEW FUND.—(1) Section 1825 is amended to read as follows:

"§ 1825. Guaranty and Indemnity Fund

"(a) There is hereby established in the Treasury of the United States a revolving fund known as the Guaranty and Indemnity Fund.

"(b) The Guaranty and Indemnity Fund shall be available to the Secretary for all operations carried out with respect to housing loans guaranteed or insured under this chapter that are closed after December 31, 1989,

except for operations with respect to loans for any purpose specified in section 1812 of this title, for loans guaranteed under section 1811(g) of this title, and for administrative expenses. For purposes of this subsection, the term 'administrative expenses' shall not include expenses incurred by the Secretary for appraisals performed after December 31, 1989, on a contractual basis in connection with the liquidation of housing loans guaranteed, insured, or made under this chapter.

"(cXD All fees collected under section 1829 of this title for loans with respect to which the Guaranty and Indemnity Fund is available shall be credited to such Fund.

"(2) There shall also be credited

to the Guaranty and Indemnity Fund—

"(A) for each loan closed during fiscal year 1990 with respect to which the Guaranty and Indemnity Fund is available, an amount equal to 0.375 percent of the original amount of such loan for each of the fiscal years 1991 and 1992;

"(B) for each loan closed after fiscal year 1990 with respect to which the Guaranty and Indemnity Fund is available, an amount equal to 0.25 percent of the original amount of such loan for each of the three fiscal years beginning with

the fiscal year in which such loan is closed.

"(C) all collections of principal and interest and the proceeds from the use or sale of property which secured a loan with respect to which the Guaranty and Indemnity Fund is available;

"(D) amounts required to be credited under subsections (a)(3) and (c)(2), including amounts credited pursuant to subsections (a)(4) and (c)(3), of section 1829 of this title;

"(E) fees collected under section 1829(b) of this title with respect to guaranteed or insured loans that are closed

after December 31, 1989, and subsequently assumed; and

"(F) all income from the investments described in subsection (d) of this section.

"(d)(1) The Secretary of the Treasury shall invest the portion of the Guaranty and Indemnity Fund that is not required to meet current payments made from such Fund, as determined by the Secretary of Veterans Affairs, in obligations of the United States or in obligations guaranteed as to principal and interest by the United States.

"(2) In making investments under paragraph (1) of this subsection, the Secretary of the Treasury shall select obligations

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